

FISCAL NOTE

HB 2886 - SB 3228

March 27, 2006

SUMMARY OF BILL: Gives an employee who has a disease or condition covered by the Energy Employees Occupational Injury Compensation Program Act of 2000 the right to recover benefits based on disability from an occupational disease or death under the workers' compensation laws.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact - No direct impact on state or local governments.

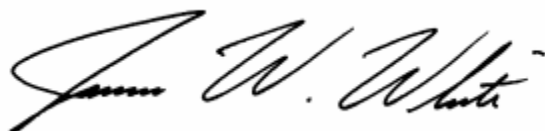
The University of Tennessee (UT) earns a fifty percent share of the management fee for the Oak Ridge National Laboratory (ORNL) through its fifty percent ownership of UT-Battelle, LLC, which manages the ORNL. The total operating budget of ORNL is slightly in excess of \$1 billion. In 2005, UT's share of the management fee was \$4,985,000. The amount of the fee is variable depending on UT-Battelle's performance, but UT's fee can be no less than approximately \$2,500,000. If higher workers' compensation claims result in increased costs for the contractors and reduced payments by the Department of Energy (DOE), DOE states that it would scale back its operations at ORNL. UT-Battelle states that this scenario would result in significant layoffs and would prevent it from meeting performance measures required under the contract, which would result in a reduction in its management fee, fifty percent of which goes to UT. If all of these contingencies occurred, UT would incur a potential maximum reduction in revenue of approximately \$2.5 million. The likelihood of all of these contingencies occurring and the magnitude of higher workers' compensation claims cannot reasonably be determined.

Assumptions:

- The bill specifically excludes workers' compensation claims for state and local government employees.
- Employees of UT-Battelle and the Oak Ridge National Laboratory are not state or local government employees.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director